AVINASH CAPITAL MARKETS PVT. LTD. (ACMPL)

FAIR PRACTICE CODE

VERSION 2.0

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Sunil Kumar

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1. Introduction

1.1 The Reserve Bank of India ("RBI") has issued guidelines on Fair Practice Code for Non-Banking Financial Companies (hereinafter referred to as "NBFCs") vide the Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025, as amended from time to time, thereby setting the standards for fair business and corporate practices while dealing with their customers.

1.2 Avinash Capital Markets Private Limited ("the Company") shall adopt all such guidelines prescribed by RBI from time to time and shall make appropriate modifications, if necessary, to this Fair Practice Code to conform to the standards so prescribed.

1.3 It is, and shall be, the policy of the Company to make available all financial products to all eligible qualified applicants, without discrimination on the basis of race, caste, colour, religion, sex, marital status, age or handicap.

1.4 The Company has revisited the prevalent Fair Practice Code and amended it suitably in the context of its present nature of business to lay down the procedures and practices for dealing with business transactions and treating all its borrowers consistently and fairly.

2. Objective

2.1 The objective of this document is to provide a standard & client centric fair practice code to be followed by all employees throughout their interaction with our borrowers. This document shall also provide guidelines for communicating information in a fair and transparent manner to our borrowers in line with the directions of RBI.

2.2 The Company's Fair lending practices shall apply across all aspects of its operations including marketing, loan origination, processing, servicing and collection activities. ACMPL's commitment to the FPC would be demonstrated in terms of employee accountability, monitoring and auditing programs, training and technology.

2.3 The Company's Board of Directors and the management are responsible for establishing practices designed to ensure that its operations reflect a strong commitment to fair lending and that all employees are aware of that commitment.

3. Definitions

For the purpose of this Fair Practice Code, unless the context otherwise requires:

3.1 "Act" means the Reserve Bank of India Act, 1934, as amended from time to time.

3.2 "Board" means the Board of Directors of Avinash Capital Markets Private Limited.

3.3 "Borrower" means any person who has applied for, availed or intends to avail any loan or credit facility from the Company.

3.4 "Company" means Avinash Capital Markets Private Limited.

3.5 "Digital Lending" means lending activities undertaken through digital channels in accordance with the applicable directions issued by the Reserve Bank of India from time to time.

3.6 "Fair Practice Code" or "FPC" means this Fair Practice Code adopted by the Company in accordance with the applicable directions issued by the Reserve Bank of India, as amended from time to time.

3.7 "Grievance Redressal Mechanism" means the mechanism established by the Company for addressing customer grievances in accordance with the applicable regulatory requirements.

3.8 "NBFC" means a Non-Banking Financial Company registered with the Reserve Bank of India under the provisions of the Reserve Bank of India Act, 1934.

3.9 "RBI" means the Reserve Bank of India.

3.10 "Recovery Agent" means any person or agency engaged by the Company for recovery of loan dues from borrowers.

3.11 Words and expressions used but not defined in this Fair Practice Code shall have the meanings assigned to them under the Reserve Bank of India Act, 1934, the applicable directions, circulars and guidelines issued by the Reserve Bank of India, or any other applicable law, as amended from time to time.

4. Board Approval and Dissemination

4.1 The Fair Practice Code (FPC) is written in adherence to the guideline issued by the Reserve Bank of India (RBI) and has been reviewed and approved by the Board of Directors of "Avinash Capital Markets Private Limited" to ensure accessibility and transparency.

4.2 The Fair Practice Code (FPC) will:

4.2.1 Be prominently displayed on the official website of ACMPL.

4.2.2 Be prominently displayed and communicated to all employees, agents, and intermediaries through agreements, posters, emails or website to ensure consistent implementation and adherence.

5. Key Commitment

5.1 The essence of the FPC lies in the following aspects that ACMPL shall strive to follow in spirit and in letter:

5.1.1 To provide professional, efficient, courteous, diligent and speedy services.

5.1.2 Not to discriminate on the basis of religion, caste, sex, descent in any manner.

5.1.3 To be fair and honest in any advertisement and marketing of loan products.

5.1.4 To provide customers with accurate and timely disclosure of terms, costs, rights and liabilities as regards loan transactions.

5.1.5 If sought, to provide such assistance or advise to customers seeking loans.

5.1.6 To attempt in good faith to resolve any disputes or differences with customers by setting up complaint redressal system within the organization.

5.1.7 To comply with all the regulatory requirements in good faith.

5.1.8 Seek to use governance structures that provide appropriate levels of oversight in the areas of audit,

risk management and potential conflicts of interest and to implement compensation and other policies that align the interests of owners and management.

5.1.9 Seek to confirm that the funds do not flow to companies that utilize child or forced labor or generally maintain discriminatory policies against religion or gender.

5.1.10 Ensure compliances relating to Indian regulations prescribed by the Reserve Bank of India ('RBI').

6. Loan Applications and their processing

6.1 ACMPL must ensure that all communication (letters / agreements / SMS / E-mail etc.) to the borrower shall be in the vernacular language or a language as understood by the Borrower.

6.2 The loan application form would include all necessary information which affects the interest of the customer so that a meaningful comparison with the terms and conditions offered by other NBFCs can be made and informed decision can be taken by the borrower.

6.3 The loan application form shall indicate the documents required to be submitted with the application form.

6.4 ACMPL will give acknowledgment for receipt of all loan application through digital mode like SMS, E-mail, etc.

6.5 All loan applications shall be processed and decided upon within 5 days from the date of receipt of the duly completed Loan Application Form along with all required documents, subject to compliance with the prevailing rules and regulations by the borrower.

7. Loan Agreement and Term & Condition

7.1 The Company shall convey in writing to the borrower in the vernacular language as understood by the borrower by means of sanction letter or otherwise, the amount of loan sanctioned along with the terms and conditions including annualized rate of interest and method of application thereof and keep the acceptance of these terms and conditions by the borrower on its record.

7.2 The Company shall clearly mention the penal interest charged for late repayment in the loan agreement.

7.3 The Company shall furnish a copy of the loan agreement along with a copy each of all its enclosures quoted in the loan agreement to all the borrowers at the time of disbursement of loans.

8. Disbursement of loans including changes in terms and conditions

8.1 The Company shall give notice to the borrower in the vernacular language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. Changes in interest rates and charges shall be affected only prospectively as mentioned in the loan agreement.

8.2 Decision to recall / accelerate payment under the agreement shall be in consonance with the loan agreement.

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9. Loan facilities to the physically/visually challenged by NBFCs

9.1 ACMPL shall not discriminate in extending products and facilities including loan facilities to physically/visually challenged applicants on grounds of disability.

9.2 ACMPL shall render all possible assistance to such persons for availing of the various business facilities.

9.3 ACMPL shall include a suitable module containing the rights of persons with disabilities guaranteed to them by the law and international conventions, in all the training programmes conducted for their employees at all levels.

9.4 ACMPL shall ensure redressal of grievances of persons with disabilities under the Grievance Redressal Mechanism already set up by them.

10. Conduct of Staff

10.1 "ACMPL" prescribes standard set of practice to be followed by each employee while interacting with borrowers. All employees are educated and trained on such practices on regular intervals. The set of behaviour are listed below:

10.1.1 The borrowers shall not be unfairly discriminated on grounds such as caste, religion, gender, marital status, etc.

10.1.2 All employees will use respectful language, maintain decorum and are respectful of social and cultural sensitivities.

10.1.3 No employees shall use any kind of coercive, intimidating or humiliating language while interacting with the borrowers.

10.1.4 No employees shall contact borrowers at odd hours or at inappropriate times such as bereavements, illness, social occasions such as marriage, births, etc.

10.1.5 The borrower shall be clearly communicated the process of loan application, terms and conditions associated with the loan application, pricing, and status of application.

10.1.6 The borrower must be communicated about the process of grievance redressal mechanism and all contact points of Grievance Redressal Officer (GRO) must be printed on loan.

10.1.7 All queries and requests of the borrower shall be addressed politely and within stipulated time.

11. Non Coercive Method of Recovery

11.1 ACMPL has standard of practice for recovery of installments. All employees involved in recovery of are educated on such practices at regular intervals.

11.1.1 All collection of installments are made at centrally designated place.

11.1.2 In case of non-repayment of installment by any borrower, the employee enquires from other borrowers in the group and if required visits defaulting borrower's house along with the group leader and other borrower in the group.

11.1.3 No employees shall use any kind of coercive, intimidating or humiliating language while recovering

installments from the borrowers even if they are unable to pay due instalments on time. Instead, the employees involved in recovering installments shall try to enquire about the actual reason behind the borrower's inability to repay us back on time and try to address the same.

11.1.4 No employees shall contact borrowers at odd hours or at inappropriate times such as bereavements, illness, and social occasions such as marriage, births, etc. for recovery of instalments.

11.1.5 No employees shall persistently call the borrower or make a call before 9:00 a.m. and after 6:00 p.m.

11.1.6 No employees shall harass relatives, friends, or co-workers of the borrower.

11.1.7 ACMPL shall not publish the name of borrowers as default in any media.

11.1.8 No employees shall use or threat of use of violence or other similar means to harm to borrower or borrower's family/assets/reputation.

11.1.9 No employees shall mislead the borrower about the extent of the debt or the consequences of non-repayment.

11.1.10 No employees shall collect any extra amount other than actual due amount.

12. Involvement of Recovery Agents/DSAs/DMAs

12.1 ACMPL does not engage any outside party for recovery of installments at present.

13. Disbursement of loans including changes in terms and conditions

13.1 The Company shall give notice to the borrower in the vernacular language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. Changes in interest rates and charges shall be affected only prospectively as mentioned in the loan agreement.

13.2 Decision to recall / accelerate payment under the agreement shall be in consonance with the loan agreement.

14. Rate of Interest

14.1 The Company shall adopt an interest rate model taking into account relevant factors such as cost of funds, margin and risk premium and frame appropriate internal principles and procedures for determining the gradation of risk applicable to different set of customers for different offerings of loans and advances. The Company shall, at the time of disbursal, ensure that the interest rate and other charges, if any, on loans and advances are in strict adherence to above referred internal principles and procedures.

14.2 The Company shall disclose in the application form and explicitly in the sanction letter the rate of interest and the approach for gradation of risk and rationale for charging different rate of interest to different categories of borrowers.

14.3 The Company shall publish the rates of interest and the approach for gradation of risks in the relevant newspapers or in the website of the Company, and shall be updated whenever there is a change in the rate of interest.

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14.4 The rate of interest shall be annualized rates to make the borrower aware of the exact rates that would be charged to the account.

15. General Provisions

15.1 The Company shall refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the borrower, has come to the notice of the Company).

15.2 In the matter of recovery of loans, the Company shall not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans.

15.3 As a measure of customer protection and also in order to bring in uniformity with regard to prepayment of various loans by borrowers, the Company shall not charge foreclosure charges / pre-payment penalties on any floating rate term loan sanctioned for purposes other than business to individual borrowers, with or without co-obligant(s).

16. Force Majeure

16.1 The various commitments outlined and made by the Company are applicable under the normal operating environment.

16.2 In the event of Force Majeure, the Company may not be able to fulfill the commitments under the Fair Practice Code (FPC) to the entire satisfaction of the customer/s, the other stake holders and the public in general.

17. Review of the Fair Practice Code

17.1 The Company shall offer assistance, encouragement and service in a fair, equitable and consistent manner.

17.2 The Company shall ensure that the implementation of the Fair Practice Code (FPC) is the responsibility of the entire organization and shall be demonstrated in terms of employee accountability, training, counselling, and monitoring, auditing programs and internal controls, and optimal use of technology.

17.3 In order to enhance the value and relevance to the borrowers, this Codes shall be reviewed and updated from time to time, as and when required, including in case of any change in applicable laws, regulations, regulatory directions, guidelines, amendments or any other relevant requirements.

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